

Subject: This week from CCA (CCA Delivers - February 23, 2017
From: "Central City Association" <jdanganan@ccala.org>
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CCA Delivers

CCALA.org

February 23, 2017

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- **GENERAL MEMBERSHIP MEETING: 2017 ECONOMIC FORECAST FOR DTLA**
- **DTLA 2030 COMMITTEE**
- **SIXTH STREET PARC**

CCA Holidays at the Globe

Sauli Danpour, Jessica Lall, Martha Saucedo, John Readey, Sonnet Hui, Simon Muir, Chris Thornberg

General Membership Meeting: 2017 Economic Forecast for DTLA

At yesterday's General Membership Meeting, members heard an economic forecast about the future of Downtown. Moderator Dr. Christopher Thornberg from Beacon Economics was joined by panelists Sonnet Hui from Hazens Group, Simon Muir from Lendlease, and John Readey from Trammell Crow Residential.

Thornberg began by reviewing Downtown's economic growth. He noted that all indicators are favorable. Job growth and business creation are ahead of pre-recession levels. Downtown business' gross receipts were at record levels, in 2016. The office real estate market is doing well, with a Class A vacancy rate below 12 percent, and Class B and C vacancy rates just slightly higher. Downtown hotels are at 80 percent occupancy levels. The residential housing market has been up and down, mostly driven by supplies, but new units are being well absorbed.

The panel discussed housing absorption rates. With a housing crisis in the region, there is a large demand for new units. High costs in Downtown mean that most units are at the high end of the market, which slows absorption compared to other areas. This has some parts of the financial markets concerned. There is market uncertainty with the large number of units due to come online in the next few years, coupled with uncertainty in the global markets due to the new administration in Washington and economic changes in China. This is leading some developers to begin looking at areas adjacent to Downtown that do not have the heated market and are lower cost.

EVENTS CALENDAR

CCA EVENTS

TUESDAY, MARCH 21
CCA MEMBERS SOIREE
TEN50 Amenity Deck

THURSDAY, MAY 11
11:00 - 1:30 p.m.
CCA'S 23RD ANNUAL TREASURES LUNCHEON
Westin Bonaventure Hotel & Suites

MEMBER EVENTS

WEDNESDAY, MARCH 1
THE NOVO RENOVATION REVEAL

THURSDAY, MARCH 9
2017 USC GOULD REAL ESTATE FORUM
The Jonathan Club, Downtown

THURSDAY, MARCH 9
ANGELS OF THE CITY AWARDS
Le Petit Paris

SATURDAY, MARCH 25
CHMC'S HEART OF THE CITY 5K
California Hospital Medical Center

COMMITTEE CALENDAR

TUESDAY, FEBRUARY 28
8:30 - 10:00 a.m.

HOMELESSNESS POLICY

Topics: Update From Los Angeles Homeless Services Authority (LAHSA); Office Of Mayor Garcetti & Homeless Strategy

All of the panelists agreed that even when building in Downtown, getting out into the community as a first step is crucial. With the environmental processes taking up to four years, engaging the community to get their support early on is key. It takes only one person to file a CEQA suit that further delays a project. Costs have been increased by the long and risky entitlement process; the high cost of land in Downtown; the lack of enough skilled construction labor and supervisors; and the passage of Measure JJJ (workforce and affordable housing requirements). These costs plus Measure S on the March ballot and tightening U.S. and international capital markets are slowing current investment.

The panelists stated that these are exciting times in Downtown, despite the uncertainty. Warner Music moving its headquarters to the Arts District could lead to an influx of new media and technology companies coming into the area. The growing density in Downtown is giving the area a new energy and creating a walkable, 24-hour city that is sorely needed.

CCA thanks **Dr. Christopher Thornberg, Sonnet Hui, Simon Muir and John Readey** for the thoughtful discussion; **Wanda Chan, Millennium Biltmore Hotel,** for hosting the meeting; and **Sauli Danpour, Xyvest Holdings,** for sponsoring.

DTLA 2030 Committee

At this week's DTLA 2030 committee, members heard about the Civic Center Master Plan (CCMP), trends in condominium sales in DTLA, an update from Now Art and a historical perspective of the development of Exposition Park.

The City retained IBI consultants to develop the CCMP, which is a conceptual master plan for the area. Development of the plan was prompted by a motion introduced by Councilmember Huizar asking the City to reimagine its assets in and around the Downtown area. The plan divides the Civic Center area into distinct areas and conceptually introduces residential uses to the area.

The plan is sequenced into development phases and the first action will be the demolition of Parker Center and replacing it with city-utilized office space and ground floor retail. The City expects to support this through the sale of the Figueroa Plaza buildings. The redevelopment of the Parker Center site is expected to be complete in 2021. Later phases of the CCMP may involve P3 partnerships and will require additional review including environmental and entitlements. CCA members voted to unanimously support the CCMP. To view the CCMP presentation, please [click here](#).

Polaris Pacific provided an update on condo sales in DTLA and shared that the market is doing well. There are two new condo projects in Downtown: 1050 S. Grand and Metropolis and both are meeting sales goals. This is a good indicator of Downtown's growth and supports the idea that more condos would be supported.

Now Art has successfully launched many public art projects in DTLA, including

Special Guests: Peter Lynn, Executive Director, LAHSA; Alisa Orduna, Homelessness Policy Coordinator, Office of Mayor Garcetti

THURSDAY, MARCH 9
8:30 - 10:00 a.m.

TRANSPORTATION, **INFRASTRUCTURE & ENERGY**

Topics: County Stormwater and Resilience Plans; 6th Street Closure; West Santa Ana Branch Rail Line

Special Guests: Katy Young, Office of Supervisor Sheila Kuehl; Olga Arroyo, Metro; Fanny Pan, Metro and Monica Born, Parsons Brinckerhoff

CCA IN ACTION



This week CCA spoke at the City Planning Commission (CPC) regarding the Affordable Housing Linkage Fee. CCA advocated for a slower phase-in of the fee as well as allowing the payment of the fee to take place prior to the issuance of the certificate of occupancy instead of the issuance of building permit.

For more information, please contact CCA Managing Director of Government Relations & Legislative Affairs, [Marie Rumsey](#).

Liquid Shard at Pershing Square. This temporary installation lasted for 12 days and received about 35 million views online. It is a prime example of how art can transform a space. Now Art is continuing to partner with the Pershing Square Parks Advisory Board and has two additional installations planned for park. Now Art also discussed The Sirens, a project that will utilize existing and abandoned air raid sirens to create a unified sound throughout the city. To learn more about Now Art's public art installations, please [click here](#).

Lastly, we heard about the evolution of Exposition Park from an area that was dominated by a horse racing track to the development of the University of Southern California and the many other cultural institutions in the area. To see the full presentation, please [click here](#).

CCA thanks **Stephanie Magnien**, CAO's Office; **Rhonda Slavik**, Polaris Pacific; **Carmen Zella**, Now Art and **Greg Fischer**, LA1781, Inc. for their presentations and remarks.

Sixth Street PARC

Share your ideas on the new Sixth Street PARC by filling out [this online survey](#) and telling the City of Los Angeles what you would like to see and do in the new park. The Sixth Street PARC, a project of the City of Los Angeles Bureau of Engineering, will be a 12-acre park underneath the new Sixth Street Viaduct on both the Boyle Heights and Arts District sides of the Los Angeles River. Construction of the park will be coordinated with viaduct construction, which is expected to be completed at the end of 2020. The deadline for submitting your survey is March 14, 2017.

For more information on the Sixth Street PARC and the Sixth Street Viaduct, please visit sixthstreetviaduct.org.

Member Surveys: CCA's Advocacy Agenda and New Year Member Survey

It is a top priority for Jessica Lall, CCA's new President & CEO, to hear directly from our members. Please take a moment and fill out the following surveys:

- [Advocacy Agenda Survey](#): Your feedback will help us determine legislative priorities for the year based on what issues are important to you and your company.
- [New Year Member Feedback](#): Your feedback will help us craft relevant programming that meets your objectives.
- [CCA Committee Meetings](#): *For Business Advocacy, Executive & Premier-level*

members only. Tell us how to improve our committee meetings and what topics to cover this year.

NEW MEMBERS

- Build Group
- M Strategic Communications
- MBI Media

Announcements

Recognizing Lena Mulhall

We wish Lena a very happy five-year anniversary of working at CCA! CCA thanks Lena for the many contributions she brings to the team, especially her can-do attitude. Lena is CCA's Office Manager and can be reached at lmulhall@ccala.org.

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